

# **Fiscal Note**



Fiscal Services Division

HF 2259 – Disabled Veteran License Plate Fee Waiver (LSB5691HV)
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 Fiscal Note Version – New

## **Description**

<u>House File 2259</u> exempts disabled veterans with a service-related disability rating of 50.0% from paying annual vehicle license registration fees. The service-related disability rating is determined by the U.S. Department of Veterans Affairs. This bill provides qualifying disabled veterans with one free set of regular vehicle registration plates or one free set of any special vehicle registration plates associated with the veteran's service type.

## **Background**

Current law exempts seriously disabled veterans that were provided an automobile or other vehicle by the U.S. government from paying motor vehicle registration fees or applying for a disability parking permit.

## **Assumptions**

- In 2015, 14,635 lowa veterans had a disability rating of 50.0% or more.
- The average annual vehicle registration fee reduction due to this exemption will be \$261. This is based on an adjusted average annual vehicle registration fee paid by veterans that own a <u>veterans plate</u>. The average excludes annual registration fees paid for motorcycles or vehicles under the minimum annual registration fee. This estimate assumes that veterans will register vehicles with a higher annual registration fee to qualify for the exemption.

#### **Fiscal Impact**

House File 2259 is estimated to reduce revenue to the TIME-21 Fund by a maximum of \$3.8 million per year.

#### Sources

Iowa DOT
Iowa Department of Veteran Affairs
LSA calculations

/s/ Holly M. Lyons
February 25, 2016

The fiscal note for this bill was prepared pursuant to <u>Joint Rule 17</u> and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the LSA upon request.